

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Hungary	REPORT		25X1
SUBJECT	Cork Processing Factories in Budapest	DATE DISTR.	9 March 1954	
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1. Location

The Cork-Processing Factory (Parafafeldolgozó Vállalat) is located at 32 Gombos Street, Budapest XIII. The factory is controlled by the Department for Wood Industry of the Ministry of Light Industry, and all its products are marketed through the Wood Products Marketing Enterprise, Cork Department (Faáru Ertekesítő Vállalat, Parafaosztály), located at 63 Bajcsi-Zsilinszky Street, Budapest. The yearly plan of the factory, for 1953 amounted to seven or eight million forints.

2. Organization

The factory is divided into two sections. One section produces cork stoppers, and uses approximately 22,000 kg. of cork per month. It employs 50 to 55 workers, most of whom are unskilled women. The second section manufactures artificial cork sheets "Isolignum," which are used as insulation in the ship-building industry; cork life belts and shoe soles are also made from it. Isolignum is made in a separate plant opposite the main factory building. Cork scrap is ground, pressed in hydraulic presses, and then baked for 20 hours in a furnace at a temperature of 100° centigrade. The finished product is sent to the main factory, where it is cut by special machines into sheets of 1 x 1.5 m., of varying thickness. This section, which includes the processing plant, employs approximately 50 workers. There are plans to enlarge the factory in 1954, to transfer the processing plant into the main building, and to double the output in 1955.

3. Sources of Raw Material

Raw cork is imported by Lignimpex, the national import-export firm for timber, wood and paper. Cork scrap, used in the manufacture of Isolignum sheets, is imported

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4. Security

- a. The entrance to the factory is guarded. Visitors must register, after which they receive an entry slip which must be signed by the person visited and which must be returned to the guard upon departure. Visitors are only permitted in the offices in the front of the building and may not enter the factory halls unless accompanied by the chief engineer. A fenced courtyard surrounds the factory, and the rear gate, facing Szegedi Street, is permanently closed.
- b. According to security regulations issued in mid-1953, a three-man guard (regular guard, workers' representative, and management representative) must stay on the premises on Sundays and holidays. Each man receives 25 forints a day for this additional duty.

5. One other cork-processing plant, the Parafakőgyár, 3 Noszlopi Street, Kőbánya, is operating in Budapest. It produces Termolit bricks, insulation material and sheets for cold storage plants, etc. from burnt cork scrap. It employs approximately 300 workers.

6. Personnel

The following officials of the Parafafeldolgozó Vállalat are known:

- a. Armand Lugosi, chief engineer and technical director, controls the entire production, assisted by section chiefs, technicians and draftsmen.

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- b. Dr. Sándor Molnár, chief accountant, is the administrative head.

- c. Elemér Nagy, cadre chief

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- d. Miklós Polák, manager

- e. Solymosi (fnu) is the Party secretary.

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